FY2014 Financial Results
(Ended March 20, 2015)

FY2015 Financial Forecasts
(Ending March 20, 2016)

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Business Overview

Motion Control (M)
[Core products]
• AC servo motors and controllers
• Linear servo motors
• AC drives
• Power conditioners
• Motor drive systems for EV, etc.

Robotics (R)
[Core products]
• Industrial Robots
  - Arc and spot welding robots, Painting robots
  - FPD glass sheet transfer robots,
    New generation robots, Handling robots,
• Semiconductor wafer transfer robots
• Biomedical robots etc.

System Engineering (S)
[Core products]
• Electrical systems for steel plants
• Electrical instrumentation systems for water supply plants and sewage treatment facilities
• Large- and small-scale wind power generator and converter etc.

Other
[Core products]
• IT-related services
• Logistics, etc.
1. FY2014 Financial Results
(Ended March 20, 2015)
FY2014 Financial Highlights

• Both sales and net income were record high

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Results</th>
<th>FY2014 forecasts</th>
<th>Changes from the forecasts</th>
<th>FY2013 Results</th>
<th>Changes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>¥ 400.2bn.</td>
<td>¥ 400.0bn.</td>
<td>+¥ 0.2bn.</td>
<td>¥ 363.6bn.</td>
<td>+¥ 36.6bn.</td>
<td>+10.1%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>¥ 31.5bn.</td>
<td>¥ 31.5bn.</td>
<td>+¥ 0.0bn.</td>
<td>¥ 25.7bn.</td>
<td>+¥ 5.8bn.</td>
<td>+22.7%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>¥ 33.9bn.</td>
<td>¥ 33.0bn.</td>
<td>+¥ 0.9bn.</td>
<td>¥ 27.1bn.</td>
<td>+¥ 6.8bn.</td>
<td>+25.1%</td>
</tr>
<tr>
<td>Net income</td>
<td>¥ 24.8bn.</td>
<td>¥ 23.5bn.</td>
<td>+¥ 1.3bn.</td>
<td>¥ 17.0bn.</td>
<td>+¥ 7.9bn.</td>
<td>+46.3%</td>
</tr>
</tbody>
</table>

Notes: FY14 forecasts are the figures announced on January 22, 2015
FY2014 Financial Highlights by Business Segment (1)

- Both sales and operating income of (M) and (R) were record high

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Income ratio</th>
<th>FY2014 Income ratio</th>
<th>Changes from the forecasts</th>
<th>FY2013 Income ratio</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecasts</td>
<td>Income</td>
<td></td>
<td>Amounts</td>
<td>%</td>
</tr>
<tr>
<td>Net Sales</td>
<td>400.2</td>
<td>400.0</td>
<td>+0.2</td>
<td>363.6</td>
<td>+36.6</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>188.1</td>
<td>188.0</td>
<td>+0.1</td>
<td>162.3</td>
<td>+25.8</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>136.0</td>
<td>137.0</td>
<td>-1.0</td>
<td>122.5</td>
<td>+13.4</td>
</tr>
<tr>
<td>(S) System Engineering</td>
<td>41.0</td>
<td>39.5</td>
<td>+1.5</td>
<td>35.3</td>
<td>+5.7</td>
</tr>
<tr>
<td>Other</td>
<td>35.1</td>
<td>35.5</td>
<td>-0.4</td>
<td>43.4</td>
<td>-8.3</td>
</tr>
<tr>
<td>Operating Income</td>
<td>31.5</td>
<td>31.5</td>
<td>7.9%</td>
<td>25.7</td>
<td>7.1%</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>21.7</td>
<td>22.0</td>
<td>11.6%</td>
<td>16.4</td>
<td>10.1%</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>10.6</td>
<td>11.4</td>
<td>7.8%</td>
<td>9.5</td>
<td>7.8%</td>
</tr>
<tr>
<td>(S) System Engineering</td>
<td>-0.8</td>
<td>-1.2</td>
<td>-1.2</td>
<td>-0.0</td>
<td>-0.8</td>
</tr>
<tr>
<td>Other</td>
<td>1.3</td>
<td>0.7</td>
<td>3.6%</td>
<td>1.1</td>
<td>2.6%</td>
</tr>
<tr>
<td>Elimination or Corporate</td>
<td>-1.3</td>
<td>-1.4</td>
<td>-1.4</td>
<td>-1.4</td>
<td>-1.4</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>33.9</td>
<td>33.0</td>
<td>8.5%</td>
<td>27.1</td>
<td>7.4%</td>
</tr>
<tr>
<td>Net income</td>
<td>24.8</td>
<td>23.5</td>
<td>6.2%</td>
<td>17.0</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

(Billions of yen)
The global AC servo business was robust due to the strong demand from smart-phone and automotive-related industries mainly in China.

The sales of general purpose AC drives were firm due to positive market conditions in the U.S.

On the other hand, the PV inverter business was affected negatively by the electric power companies’ postponing the acceptance of applications for connections to the power grid.

The global performance in robotics was robust due to strong demand from the automobile industry in China.

Investments in steel plants were weak. Electric instrumentation systems for water and sewerage were firm.

There was a negative impact on profit by the newly consolidated subsidiary of The Switch.

Notes: The Switch・・・The Switch Engineering Oy (Finland)
Sales Breakdown by Business Segment

FY13
- Robotics: ¥363.6 bn. (34%)
- System Engineering: 10%
- Other: 12%
- Motion Control: 44%

FY14
- Robotics: ¥400.2 bn. (34%)
- System Engineering: 10%
- Other: 9%
- Motion Control: 47%
### Sales Breakdown by Destination (1)

- **Overseas sales expanded due to robust performance in the Americas and China**

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2013</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amounts</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>144.2</td>
<td>150.1</td>
<td>-5.9</td>
</tr>
<tr>
<td>Overseas</td>
<td>255.9</td>
<td>213.5</td>
<td>+42.4</td>
</tr>
<tr>
<td><strong>The Americas</strong></td>
<td>72.6</td>
<td>58.5</td>
<td>+14.1</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>46.9</td>
<td>42.5</td>
<td>+4.4</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>85.0</td>
<td>67.2</td>
<td>+17.9</td>
</tr>
<tr>
<td><strong>Other Asian Countries</strong></td>
<td>47.8</td>
<td>41.4</td>
<td>+6.3</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>3.6</td>
<td>3.9</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

Note: “Other areas” include Australia and South Africa, etc.
Sales Breakdown by Destination (2)

- **Overseas sales ratio expanded due to significant growth in the Americas and China**

**FY13**

- Net Sales: ¥363.6 bn.
  - Japan: 41%
  - Overseas: 59%
    - The Americas: 16%
    - Europe: 12%
    - Asian Countries Except China: 11%
    - Other: 1%

**FY14**

- Net Sales: ¥400.2 bn.
  - Japan: 36%
  - Overseas: 64%
    - The Americas: 18%
    - Europe: 12%
    - Asian Countries Except China: 12%
    - Other: 1%

Comparative data for FY13 and FY14 shows a significant increase in overseas sales, particularly in the Americas and China.
Breakdown of Changes in Operating Income (FY13 ➔ FY14)

(Billions of yen)

- Profit increase due to sales increase: +9.7
- Effects of changes in forex rates: +5.7
- Increase in added value: +0.8
- Increase in expenses: -10.4

FY2013: 25.7
FY2014: 31.5
Increase in profit due to sales increase: +5.8
**Expand new businesses through M&A**
- Enter the U.S. PV generation market by acquisition of Solectria Renewables, LLC
  ➔ Global rollout of its products
- Expand sales for wind turbines by acquisition of The Switch Engineering Oy
  ➔ Expand business domain to wind generation and nautical business

**Enhance the management efficiency through reorganization of subsidiaries**
- Yaskawa Information Systems Corporation became an equity method affiliate
  ➔ Strengthen the IoT / M2M-related businesses
- Y-E Data plans to become a wholly owned subsidiary in Jul. 2015
  ➔ Maximize synergy by a better coordinated group management
- Yaskawa Techno Plate was merged (announced Mar. 2015)
Measures for FY2014 (2)

- **Enhance the capabilities in development, production and sales**
  - Expanded the sales of Σ-7
    - Improved profitability by both higher performance and efficient manufacturing
    - Launched Σ-7 in China in Sep. 2014
  - Prepared for expanding sales of PV inverter for residential uses
    - Developed the world’s first PV inverter using GaN
    - Obtained the certification of Japan Electrical Safety & Environment Technology Laboratories in Mar. 2015
  - Launched matrix converter U1000 in Japan
  - Expanded applications of robots in non-automobile fields
    - Increased Robot Centers for developing Siers
    - Started construction of robot center in Japan in Apr. 2015
    - Established a robot center in Indonesia in Oct. 2014
  - Strengthen robot production capabilities
    - Boost production at the robot factory in Changzhou, China
    - Improve efficiency through automation of production in Japan (Began construction of the new robot factory No.3)
2. FY2015 Financial Forecasts
(Ending March 20, 2016)
FY2015 Full-year Financial Forecasts

- **Record high sales, operating income and ordinary income projected due to steady expansion in the core businesses**

<table>
<thead>
<tr>
<th></th>
<th>FY2015 Results</th>
<th>FY2014 Results</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>¥ 435.0bn.</td>
<td>¥ 400.2bn.</td>
<td>+¥ 34.8bn. +8.7%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>¥ 36.5bn.</td>
<td>¥ 31.5bn.</td>
<td>+¥ 5.0bn. +15.8%</td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td>¥ 37.0bn.</td>
<td>¥ 33.9bn.</td>
<td>+¥ 3.1bn. +9.2%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>¥ 24.0bn.</td>
<td>¥ 24.8bn.</td>
<td>-¥ 0.8bn. -3.3%</td>
</tr>
</tbody>
</table>
## FY2015 Financial Forecasts by Business Segment

### Increase in sales and operating income led by the core businesses

<table>
<thead>
<tr>
<th></th>
<th>FY2015 Forecasts</th>
<th>FY2014 Results</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income ratio</td>
<td>Income ratio</td>
<td>Amounts</td>
</tr>
<tr>
<td>Net Sales</td>
<td>435.0</td>
<td>400.2</td>
<td>+34.8</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>211.0</td>
<td>188.1</td>
<td>+22.9</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>149.0</td>
<td>136.0</td>
<td>+13.0</td>
</tr>
<tr>
<td>(S) System Engineering</td>
<td>46.0</td>
<td>41.0</td>
<td>+5.0</td>
</tr>
<tr>
<td>Other</td>
<td>29.0</td>
<td>35.1</td>
<td>-6.1</td>
</tr>
<tr>
<td>Operating Income</td>
<td>36.5</td>
<td>31.5</td>
<td>+5.0</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>25.3</td>
<td>21.7</td>
<td>+3.6</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>12.6</td>
<td>10.6</td>
<td>+2.0</td>
</tr>
<tr>
<td>(S) System Engineering</td>
<td>-1.0</td>
<td>-0.8</td>
<td>-0.2</td>
</tr>
<tr>
<td>Other</td>
<td>0.8</td>
<td>1.3</td>
<td>-0.5</td>
</tr>
<tr>
<td>Elimination or Corporate</td>
<td>-1.2</td>
<td>-1.3</td>
<td>+0.1</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>37.0</td>
<td>33.9</td>
<td>+3.1</td>
</tr>
<tr>
<td>Net income</td>
<td>24.0</td>
<td>24.8</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

(Billions of yen)
Breakdown of Changes in Operating Income (FY14 ➔ FY15 Forecast)

(Billions of yen)

Profit increase due to sales increase: +8.4
Effects of changes in forex rates: +3.1
Increase in added value: +0.6
Increase in expenses: -7.1

FY2014: 31.5
FY2015 Forecast: 36.5

Increase: +5.0
FY2003-2015 Net Sales/Operating Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales (billions of yen)</th>
<th>Operating income (billions of yen)</th>
<th>Operating income ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>263.0</td>
<td>12.4</td>
<td>4.7</td>
</tr>
<tr>
<td>2004</td>
<td>309.6</td>
<td>17.5</td>
<td>5.7</td>
</tr>
<tr>
<td>2005</td>
<td>322.9</td>
<td>24.4</td>
<td>7.6</td>
</tr>
<tr>
<td>2006</td>
<td>368.9</td>
<td>33.5</td>
<td>9.1</td>
</tr>
<tr>
<td>2007</td>
<td>382.3</td>
<td>36.4</td>
<td>9.5</td>
</tr>
<tr>
<td>2008</td>
<td>350.2</td>
<td>20.8</td>
<td>5.9</td>
</tr>
<tr>
<td>2009</td>
<td>224.7</td>
<td>-6.9</td>
<td>-3.1</td>
</tr>
<tr>
<td>2010</td>
<td>296.8</td>
<td>12.8</td>
<td>4.3</td>
</tr>
<tr>
<td>2011</td>
<td>307.1</td>
<td>14.8</td>
<td>4.8</td>
</tr>
<tr>
<td>2012</td>
<td>310.3</td>
<td>13.0</td>
<td>4.2</td>
</tr>
<tr>
<td>2013</td>
<td>363.6</td>
<td>25.7</td>
<td>7.1</td>
</tr>
<tr>
<td>2014</td>
<td>400.2</td>
<td>31.5</td>
<td>7.9</td>
</tr>
<tr>
<td>2015</td>
<td>435.0</td>
<td>36.5</td>
<td>8.4</td>
</tr>
</tbody>
</table>

Results

Win21 Plus

Dash 100

Challenge100 (Four-year Plan)

Realize 100

Mid-term Business Plans
Measures for FY2015 (1)

• **Increase earnings of existing businesses**

  • **Expand sales of Σ-7**
    - Launch Σ-7 in the Americas, Europe and Asia
    - Accelerate switching to Σ-7 in Japan and China
  
  • **Global launch of matrix converter U1000**

  • **Expand sales of robots for general industries through robot centers**
    - Foster and develop SIers in general industries
    - Launch Chubu Robot Center in Japan in May. 2015
    - Establish 6 robot centers overseas

![Chubu Robot Center (conceptional drawing)](image)

![Σ-7 series](image)

**Measures for FY2015 (1)**

- **Chubu Robot Center**
  - Japan 2 [+1]
  - The Americas 4 [+1]
  - Europe 15
  - China 7 [+3]
  - Asia 3 [+2]

![Map with robot centers](image)

**Total: 31 (by FY2014) + 7 (in FY2015) = 38 (at the end of FY15)**
Measures for FY2015 (2)

- **Reinforce business performance by enhancing development, production and sales capabilities**
  - **Develop the new product series**
    - Develop new model of AC drive
    - Develop new 2016 model of robots
  - **Improve global production system**
    - Establish global production capacity of 3,000 robots per month (Launch the new robot factory No.3 in Sep. 2015)
    - Boost production at the factory in Shenyang for expanding sales of Σ-7

- **Establishment and global expansion of new businesses**
  - **Create synergy with The Switch Engineering Oy**
    - Capture the demand of global wind turbine manufacturers
    - Expand electric system business for energy-saving of vessels
  - **Expand sales of PV inverters**
    - Cultivate sales channels for PV inverters for residential uses
    - Expand sales of Solectria Renewables, LLC’s products

*World’s first PV inverter for residential uses using GaN*
3. Reference
## Capital Expenditure, R&D Investment, Forex Rates

### Capital expenditure (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>15.9</td>
<td>17.0</td>
<td>36.4</td>
<td>18.0</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>8.1</td>
<td>9.2</td>
<td>11.5</td>
<td>13.5</td>
</tr>
</tbody>
</table>

### R&D investment (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D investment</td>
<td>10.7</td>
<td>14.0</td>
<td>15.3</td>
<td>15.0</td>
</tr>
</tbody>
</table>

### Forex rates (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015 Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H</td>
<td>2H</td>
<td>Full-year</td>
<td>1H</td>
</tr>
<tr>
<td>U.S. dollar</td>
<td>80.1</td>
<td>83.7</td>
<td>81.9</td>
<td>98.2</td>
</tr>
<tr>
<td>Euro</td>
<td>102.0</td>
<td>109.4</td>
<td>105.7</td>
<td>128.5</td>
</tr>
</tbody>
</table>

Note: Average rate during the period
Financial Indices

As of March 20, 2014

- Shareholders’ equity ratio: 39.4%
- Shareholders’ equity: 134.1 billion yen
- Interest-bearing debt: 55.5 billion yen
- D/E ratio: 0.41
  (Net D/E ratio): 0.24
- Inventory: 78.4 billion yen
- Turnover: 2.6 months
- ROE: 13.8%

As of March 20, 2015

- Shareholders’ equity ratio: 44.1%
- Shareholders’ equity: 171.4 billion yen
- Interest-bearing debt: 52.4 billion yen
- D/E ratio: 0.31
  (Net D/E ratio): 0.16
- Inventory: 85.5 billion yen
- Turnover: 2.6 months
- ROE: 16.3%

*Interest-bearing debt includes convertible bonds and lease obligations.
*Inventory at the end of the period is used for calculating turnover months.
*ROE= Net income / Shareholders’ equity (average of beginning and end of fiscal year)
Quarterly Sales Trends(1)

Notes:
1. (M) = Motion Control  (R) = Robotics  (S) = System Engineering
2. The figures for FY12 and FY 13 reflect segmentation changes announced on July 18, 2013.
Quarterly Sales Trends(2)

Note: The figures for FY12 and FY 13 reflect segmentation changes announced on July 18, 2013.
Major Production Bases

YASKAWA Electric UK Ltd.
Scotland

YASKAWA Nordic AB
Sweden

YASKAWA Ristro d.o.o.
Slovenia

YASKAWA Robotics India Ltd.
India

YASKAWA India Private Ltd.
India

YASKAWA Electric (Shenyang) Co., Ltd
China

YASKAWA Electric (Shougang) Robot Co., Ltd.
China

YASKAWA America, Inc.
Drives & Motion Div.
U.S.

YASKAWA America, Inc.
Motoman Robotics Div.
U.S.

YASKAWA Motoman Canada, Ltd.
Canada

YASKAWA Motoman Mexico, S.A. de C.V.
Mexico

YASKAWA Elétrico do Brasil Ltda.
Motoman Robotica do Brasil
Brazil

YASKAWA (China) Robotics Co., Ltd
China

Shanghai Yaskawa Drive Co., Ltd.
China

YASKAWA Electric Corp.
【Production bases in Japan】
- Yahata-nishi Plant (Motoman Center / Motoman Station)
- Yahata-higashi Plant
- Yukuhashi Plant (Drive Center / System Engineering Center)
- Iruma Plant (Solution Center)
- Nakama Plant

Yaskawa Electric's production bases in Japan

Major overseas production bases
Disclaimer

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